



Agenda Date: 11/10/09
Agenda Item: 8B

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF CUSTOMER ON-SITE)	ORDER
RENEWABLE ENERGY (CORE) PROGRAM:)	
REBATE DISPUTE FILED BY)	
SCHOLES ELECTRIC & COMMUNICATIONS)	DOCKET NO. EG09100831

Mr. Steven E. Demcsak, Vice President, Scholes Electric & Communications, 1021 Centennial Avenue, Piscataway, New Jersey 08854

(SERVICE LIST ATTACHED)

BY THE BOARD:

By Order dated March 31, 2008, Docket No. EX04040276, the Board approved 2008 programs and budgets for the New Jersey Clean Energy Program (NJCEP) including the Customer On-Site Renewable Energy (CORE) program. The CORE program provides incentives to customers that install renewable energy systems.

By letter dated September 3, 2008, Scholes Electric & Communications ("Scholes" or "Petitioner") received a rebate approval letter from Honeywell International, Inc. ("Honeywell"), the Board's renewable energy market manager, for an estimated rebate of \$245,000 for a 100 kW solar system to be installed on its office located at 1021 Centennial Avenue, Piscataway, New Jersey (application number BPU-4012).

The rebate approval letter stated that: "The rebate commitment in this letter is valid for a period of 12 months. Your expiration date, based on the date of this approval letter is 9/3/2009. To receive your rebate payment, the system installation must be completed, and the completed Rebate Confirmation and Final Application Form must be received by the CORE Program manager prior to 9/3/2009. You may ask for an extension, following program procedures and guidelines, if your project cannot be completed within this timeframe."

The program procedures regarding extension of rebate commitment deadlines for private projects greater than 10 kW,¹ which are available on the website of the New Jersey Clean Energy Program, provide as follows:

¹ CORE Market Manager Operations Manual, dated October 31, 2007, pages 25-26.
http://www.njcleanenergy.com/files/file/Renewable_Programs/CORE/CORE%20Ops%20Manual%20Ver%201%205%20FINAL.pdf

If the project cannot complete within the initial 12-month period, the customer/contractor may apply for an extension. Extension requests must be received before 5:00 PM on the expiration date of the initial rebate commitment, and must include detailed documentation regarding the reasons for the delay. Progressive documentation of project issues to the Program Manager as they occur throughout the project will significantly improve the case for a project extension.

The Program Manager will consider extensions in cases where significant progress has been made toward completion of the project, and where the delay was unavoidable and unforeseeable at the time of the rebate application. Approval of any extension will depend on the totality of circumstances related to reasonable progress toward each of the items listed below and the reason why the delay was unavoidable and unforeseeable as demonstrated through documentation provided with the extension request.

- a. Physical construction has started at the customer's site, which means that: a) construction permits have been granted (where applicable); b) project materials are either onsite or in storage; and c) installation work has started
- b. Irrevocable orders have been placed with the manufacturers of the major items of equipment (PV modules and inverters)
- c. Construction permits have been approved by the authority having jurisdiction (where applicable)
- d. Engineering and design work has been started and progressed to a significant degree
- e. Material and/or equipment have been received from the manufacturer, and are either onsite or in storage

Upon receipt of the rebate approval letter Scholes commenced development of the solar project. However, unexpected and unavoidable delays were experienced. Essential elements of project planning and design were missing, including structural drawings of the building. Engineering analyses of the steel roof structure was delayed, and locational analysis to determine placement of the project, as well as cost analysis, did not proceed according to plan. The discovery of unexpected conditions on site and the need to address them resulted in further delay.

Nonetheless, by letter dated September 3, 2009 ("September 3, 2009 letter"), Scholes reported that: permits to construct the facility had been filed, the solar modules had been purchased and delivered to the site, the roof mounts were scheduled for delivery by September 21, 2009, and the inverters and monitoring system had been ordered and were ready to ship.

The September 3, 2009 letter was hand delivered by Scholes to the renewable energy Market Manager on September 8, 2009. The renewable energy Market Manager rejected the request for an extension since it was delivered subsequent to 5:00 P.M. on the expiration date of the initial rebate commitment, which was September 3, 2009, as required by the extension guidelines.

By letter dated September 8, 2009, Scholes filed a dispute with Applied Energy Group ("AEG"), the NJCEP Program Coordinator, pursuant to the NJCEP dispute resolution procedures set out on the NJCEP web site. In its letter Scholes indicated that it was aware of the September 3, 2009 deadline to submit a request for an extension but that there was a miscommunication

between Scholes, Turtle Energy from which Scholes purchased the solar system, and GMA Electric, the project installation contractor, as to whom was filing the extension. The Vice President of Scholes stated that upon becoming aware of the miscommunication and delay, he acted immediately to hand deliver the September 3, 2009 letter to the renewable energy market manager.

The Office of Clean Energy ("OCE" or "Staff") has reviewed this request and recommends that the Board authorize Honeywell to grant an extension to this project. The project has made significant progress towards development according to the criteria set forth in the applicable procedures and is, moreover, ready to commence construction. The project encountered unexpected and unavoidable delays as detailed above. Thus, the project has met the standards for an extension and would have been eligible for an extension but for the late submittal of its request. Petitioner has reported that the documentation required to request an extension was prepared and ready for delivery by the deadline and that it was not delivered on September 3, 2009 due to a miscommunication between the three firms involved in the development of the project. Staff believes this representation is credible. The Vice President of Scholes immediately hand delivered the request upon his discovery that it had not been submitted timely. Because of the intervening holiday weekend, the request was delivered until the second business day subsequent to the deadline.

DISCUSSION AND FINDING

The Board has reviewed the record in this matter and Staff's recommendation. The Board **FINDS** that Petitioner has made significant progress toward project completion. The Board **FINDS** that Petitioner encountered unexpected and unavoidable delays. The Board **FINDS** that the delay in submitting the extension was the result of an administrative oversight and that the responsible party acting for Petitioner rectified this oversight immediately upon its discovery.


The Board **FINDS** that the delay was de minimis, only two business days elapsing between the September 3, 2009 deadline and the September 8, 2009 hand delivery of the request for an extension. The Board **FINDS** that the 100 kW of solar energy to be generated by this project will contribute to the Renewable Portfolio Standard, will advance the goals of the Energy Master Plan, and will provide environmental benefits to the State by contributing to the reduction of fossil fuel emissions. The Board also **FINDS** that this project contributes to the distributed generation and customer-generator activity sought to be encouraged by the CORE program.²

² The Board closed the CORE program to new private sector solar applications on December 20, 2007 and closed the CORE program to all public sector solar applications as of April 1, 2008. In the matter of a Request to Suspend the Acceptance and Processing of New Solar Applications in New Jersey's Customer On-Site Renewable Energy (CORE) Rebate Program, Docket No. EO07100773 (December 20, 2007) ("December 20th Order"). Honeywell's 2009 compliance filing, which was approved by the Board in its 2009 Budget Order, also included a budget and program description for the Renewable Energy Program: Customer Sited (now called the Renewable Energy Incentive Program ("REIP")). I/M/O Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for 2009-2012: 2009 Programs and Budgets: Compliance Filings, Docket No. EO07030203 (January 8, 2009) (2009 Budget Order)

In light of the foregoing, the Board **HEREBY AUTHORIZES** Honeywell to issue a rebate commitment extension to Scholes, application number BPU-4012, consistent with the standards for an extension set out above, in the amount of \$245,000.

DATED: 11/10/09

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER

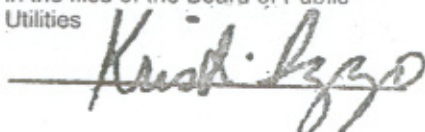

NICHOLAS ASSELTA
COMMISSIONER


ELIZABETH RANDALL
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



IN THE MATTER OF THE CLEAN ENERGY
CUSTOMER ON-SITE RENEWABLE ENERGY (CORE) PROGRAM – REBATE DISPUTE
FILED BY SCHOLES ELECTRIC & COMMUNICATIONS - DOCKET NO. EG09100831

SERVICE LIST

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